

UNITED STATES OF AMERICA  
Before the  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

Complaint on Charges for the )  
Bulk Parcel Return Service )

Docket No. C99-4

OFFICE OF THE CONSUMER ADVOCATE  
INTERROGATORIES TO UNITED STATES POSTAL SERVICE  
OCA/USPS-1-5  
(December 3, 1999)

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Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents.

If data requested are not available in the exact format or level of detail requested, any data available in (1) a substantially similar format or level of detail or (2) susceptible to being converted to the requested format and detail should be provided.

The production of documents requested herein should be made by photocopies attached to responses of these interrogatories. If production of copies is infeasible due to the volume of material or otherwise, production should be made for inspection at the Office of the Consumer Advocate, 1333 H Street, N.W., Washington, D.C. 20268-0001, during the hours of 8:00 a.m. to 4:30 p.m.

If a privilege is claimed with respect to any data or documents requested herein, the party to whom this discovery request is directed should provide a Privilege Log, as required in Presiding Officer's Rulings C99-1/9 and 11. Specifically, "the party shall

make the claim expressly and shall describe the nature of the documents, communications, or things not produced or disclosed in a manner that, without revealing information itself privileged or protected, will enable other parties to assess the applicability of the privilege or protection." F.R.C.P. 26(b)(5).

The term "documents" includes, but is not limited to: letters, telegrams, memoranda, reports, studies, newspaper clippings, speeches, testimonies, pamphlets, charts, tabulations, and workpapers. The term "documents" also includes other means by which information is recorded or transmitted, including printouts, microfilms, cards, discs, tapes and recordings used in data processing together with any written material necessary to understand or use such punch cards, discs, tapes or other recordings.

"All documents" means each document, as defined above, that can be located, discovered or obtained by reasonable diligent efforts, including without limitation all documents possessed by: (a) you or your counsel; or (b) any other person or entity from whom you can obtain such documents by request or which you have a legal right to bring within your possession by demand.

"Communications" includes, but is not limited to, any and all conversations, meetings, discussions and any other occasion for verbal exchange, whether in person or by telephone, as well as all documents, including but not limited to letters, memoranda, telegrams, cables, or electronic mail.

"Relating to" means discussing, describing, reflecting, containing, analyzing, studying, reporting, commenting on, evidencing, constituting, setting forth, considering, recommending, concerning, or pertaining to, in whole or in part. Responses to requests for explanations or the derivation of numbers should be accompanied by workpapers.

The term "workpapers" shall include all backup material whether prepared manually, mechanically or electronically, and without consideration to the type of paper used. Such workpapers should, if necessary, be prepared as part of the witness's responses and should "show what the numbers were, what numbers were added to other numbers to achieve a final result." The witness should "prepare sufficient workpapers so that it is possible for a third party to understand how he took data from a primary source and developed that data to achieve his final results." Docket No. R83-1, Tr. 10/2795-96. Where the arithmetic manipulations were performed by an electronic digital computer with internally stored instructions and no English language intermediate printouts were prepared, the arithmetic steps should be replicated by manual or other means.

Please especially note that if you are unable to provide any of the requested documents or information, as to any of the interrogatories, please provide an explanation for each instance in which documents or information cannot be or have not been provided.

Respectfully submitted,



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OCA/USPS-1. Please refer to the "Bulk Parcel Return Service Cost Study," dated October 29, 1998, as revised by USPS letter dated December 2, 1999 (herein "Revised BPRS Cost Study"). Each of the replacement pages attached to the December 2, 1999, letter are labeled "Revised" or "PRC Version." Those replacement pages labeled "Revised," and summarized in Table 3, show a total unit cost of 92.5 cents, while those replacement pages labeled "PRC Version," and summarized in Table 3, show a total unit cost of 103.8 cents.

- a. Please identify the correct (according to the Postal Service) total unit cost for the BPRS service in this proceeding. Please explain your rationale for selecting the total unit cost of 92.5 cents or the total unit cost of 103.8.
- b. Please identify the total unit cost the Postal Service believes should be used by the Postal Rate Commission as the basis for computing the cost coverage of the BPRS service in this proceeding. Please explain your rationale for selecting the total unit cost of 92.5 cents or the total unit cost of 103.8.

OCA/USPS-2. Please refer to the Revised BPRS Cost Study.

- a. At page 1, Table 1, in the last column, please confirm that there are five mailers (e.g., mailers 2, 3, 5, 6, and 8) who pick up their bulk parcel returns from the Postal Service. If you do not confirm, please explain and identify which of the eight mailers pick up their bulk parcel returns from the Postal Service.
- b. At page 6, in the first sentence of the second paragraph under "D. Delivery Costs," it states that "Four of the eight BPRS recipients do not have their returns

delivered to them by the Postal Service.” Please reconcile this sentence with Table 1.

- c. In Exhibit E, column [3], please confirm that a “Cost per Delivery per Piece” of \$0.00 identifies mailers who pick up their bulk parcel returns from the Postal Service. If you do not confirm, please explain.
- d. In Exhibit E, column [3], Mailer 2 has a “Cost per Delivery per Piece” of \$0.04. In Table 1, Mailer 2 is identified as a mailer that picks up its bulk parcel returns from the Postal Service. Please reconcile Exhibit 3 and Table 1.

OCA/USPS-3. Please refer to Revised BPRS Cost Study, Exhibit B. In the column “Wage Rate Adjustment Factor (FY96-FY98) [2],”

- a. Please identify the source(s) for the “FY 1998 wages” and “FY 1996 wages” used to calculate the wage rate adjustment factor of 1.10.
- b. Please identify the source(s) for the “FY 1998 wages” and “FY 1996 wages” used to calculate the wage rate adjustment factor of 1.05.
- c. Please identify the source(s) for the “FY 1998 wages” and “FY 1996 wages” used to calculate the wage rate adjustment factor of 1.02.

OCA/USPS-4. Please refer to the Revised BPRS Cost Study, Exhibit E. Please confirm that the unit cost of delivery for BPRS can be calculated as follows:

$$((\$0.0307075 * 6,510) + (\$0.0359070 * 4,050) + (\$0.00 * 2,730) + (\$0.0498708 * 4,500) + (\$0.00 * 3,800) + (\$0.00 * 1,200) + (\$0.0151607 * 839,294) + (\$0.00 * 426)) / 24,055.$$

If you do not confirm, please explain.

OCA/USPS-5. Please refer to the Revised BPRS Cost Study, Exhibits B, C, D, E and F.

- a. In Exhibit B, please confirm that the unit cost of collection for BPRS parcels, in the amount of \$0.0433, is calculated from volume variable costs. If you do not confirm, please explain.
- b. In Exhibit B, please identify any fixed costs used in the calculation of the unit cost of collection for BPRS parcels.
- c. In Exhibit C, please confirm that the unit cost of mail processing for BPRS parcels, in the amount of \$0.4809, is calculated from volume variable costs. If you do not confirm, please explain.
- d. In Exhibit C, please identify any fixed costs used in the calculation of the unit cost of mail processing for BPRS parcels.
- e. In Exhibit D, please confirm that the unit cost of transportation for BPRS parcels, in the amount of \$0.3367, is calculated from volume variable costs. If you do not confirm, please explain.
- f. In Exhibit D, please identify any fixed costs used in the calculation of the unit cost of transportation for BPRS parcels.
- g. In Exhibit E, please confirm that the unit cost of delivery for BPRS parcels, in the amount of \$0.0242, is calculated from volume variable costs. If you do not confirm, please explain.
- h. In Exhibit E, please identify any fixed costs used in the calculation of the unit cost of delivery for BPRS parcels.

- i. In Exhibit F, please confirm that the unit cost of postage due for BPRS parcels, in the amount of \$0.0398, is calculated from volume variable costs. If you do not confirm, please explain.
- j. In Exhibit F, please identify any fixed costs used in the calculation of the unit cost of postage due for BPRS parcels.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.

  
STEPHANIE WALLACE

Washington, D.C. 20268-0001  
December 3, 1999